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**Environment Department Issues Compliance Orders to Duke Energy Field Services for Numerous Air Quality Violations**

(Santa Fe) -- The New Mexico Environment Department (NMED) issued Compliance Orders to Duke Energy Field Services (DEFS) on Thursday that list numerous air quality violations during the past five years at three of the company's gas plants in southeastern New Mexico.

The violations include large quantities of excess air pollutant emissions at the Artesia, Eunice and Linam Ranch gas plants in Eddy and Lea counties. The three plants process natural gas from the Permian basin. DEFS is jointly owned by Duke Energy and Conoco-Phillips Inc.

"These violations indicate serious operational and maintenance problems at these gas plants that are negatively affecting air quality in the southeastern part of the state," said Jim Norton, Director of NMED's Environmental Protection Division. "The state's air quality laws and regulations are designed to protect the health of New Mexicans and we take these violations very seriously. We hope that Duke Energy Field Services will make every effort to bring these plants into compliance as soon as possible."

NMED's compliance orders require DEFS to stop the combustion of gases in flares that cause visible emissions and exceed air quality permit limits. The orders also require the plants to install flares designed for smokeless operation and to use the flares only for emergency purposes.

NMED's investigation of DEFS' reports show 4,777 emission limit violations of the company's air quality permits at the plants since January 2001. Those violations include the release into the air of more than 608,000 pounds of nitrous oxides, 20.7 million pounds of sulfur dioxide, 879,000 pounds of carbon monoxide, 367,000 pounds of volatile organic compounds and 347,000 pounds of hydrogen sulfide.

The plants' flares also contained visible emissions approximately 648 times in violation of federal and state regulations during the same five year period.

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#### NMED Issues Compliance Orders to Duke Energy

“These are older plants, built in the 1930s and 1940s, that experience frequent equipment failures resulting in excess emissions of air pollutants from the facilities.” Norton said. “We have discussed these air pollution violations with Duke Energy Field Services and will continue to work with them.”

NMED may assess a civil penalty of \$15,000 per day per violation for the violations cited in the orders. The penalties will be assessed once NMED determines the extent of the violations. The orders contain several thousand violations at each plant covering a five year period.

For more information, contact Marissa Stone, NMED Communications Director, at (505) 827-0314.

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